



BUILDERS • DEVELOPERS

2114 South Hill St., Los Angeles, CA 90007
(213) 746-6630 • Fax (213) 748-8017

May 31, 2006

Chand Sultana, PH.D.
Department of Toxic Substances Control
1011 North Grandview Ave.
Glendale, CA 91201

Site Code 300018-11 located at 1925 Marianna

Dear Chand:

As per the instructions in your letter to L. Ramon Bonin, dated May 9, 2006, I am sending you a certified copy of the Covenant To Restrict Use of Property – Environmental Restriction recorded May 30, 2006.

I am also sending a certified copy along with the processing fee of \$582.00, check #75212 dated May 17, 2006, to the DTSC Accounting Department in Sacramento at the address you have instructed it to be sent to.

Please let me know if you any comments or questions regarding the enclosed.

Sincerely,

A handwritten signature in black ink that reads "Dawn Martinez".

Dawn Martinez
Sales Assistant
Dynamic Builders, Inc.

Enclosure (1)

cc: B. Bonin
L. Bonin
DTSC - Accounting Dept.
K. Jackson
C. Lefkowitz
A. Trinidad
J. Worthy

Record#: 5784
Check#: 75212
Date: 05/17/2006
Description: Land Use Covenant-annual cost
Amount: 582.00
Vendor#: 0
Payee: Dept. of Toxic
Substances Control
Address 1011 N. Grandview Avenue
Glendale CA 91201

75212

DYNAMIC BUILDERS, INC.
CONTRACTOR LICENSE NO. B1-300058
2114 S. HILL STREET • LOS ANGELES, CA 90007
(213) 746-6630

COMERICA BANK-CALIFORNIA

90-3752/1211

75212

EXACTLY FIVE HUNDRED EIGHTY-TWO DOLLARS

DATE

05/17/2006

AMOUNT

*****\$582.00

PAY
TO THE
ORDER
OF

Dept. of Toxic And Substances Control
1011 N. Grandview Avenue
Glendale CA 91201

Memo: Land Use Covenant-annual cost

SITE CODE - 300018-11

AUTHORIZED SIGNATURE

⑈075212⑈ ⑆121137522⑆ 1891462242⑈

This page is part of your document - DO NOT DISCARD

06 1176857

RECORDED/FILED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
05/30/06 AT 01:01PM

TITLE(S) : _____



FEE

Code 01 - 58.00
Code 20 - 02.00

Code C036 - 001

D.T.T.

CODE
20

CODE
19

CODE
9

Grand Total = \$60.00

Page Count = 18

Assessor's Identification Number (AIN)

To be completed by Examiner OR Title Company in black ink.

Number of AIN's Shown

THIS FORM IS NOT TO BE DUPLICATED

RECORDING REQUESTED BY:

Dynamic Builders, Inc.
2114 S. Hill Street
Los Angeles, CA 90007

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WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control
Region 3
1011 N. Grandview Avenue
Glendale, California 91201
Attention: Sayareh Amir, Chief
Southern California Cleanup Operations
Branch

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

COVENANT TO RESTRICT USE OF PROPERTY

ENVIRONMENTAL RESTRICTION

Re: Former Castrol Facility, 4671 Worth Street and 1925 N. Marianna Avenue, Los Angeles, California 90063

This Covenant and Agreement (Covenant) is made by and between Dynamic Builders, Inc., a California Corporation (Covenantor) and the Department of Toxic Substances Control (the "Department"). Dynamic Builders, Inc. is the current owner of property situated in Los Angeles, County of Los Angeles, State of California, Assessor's Parcel Numbers 5223-002-007 and 5223-002-015, as described in Exhibits A and A-1, attached hereto and incorporated herein by this reference (Property). Pursuant to Civil Code section 1471, the Department has determined that this Covenant is reasonably necessary to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials as defined in Health and Safety Code section 25260. The Covenantor and the Department, collectively referred to as the Parties, hereby agree that the use of the Property be restricted as set forth in this Covenant.

ARTICLE I
STATEMENT OF FACTS

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1.01. The Property consists of two parcels totaling approximately 6.6 acres, and is more particularly described and depicted in Exhibit A, attached hereto and incorporated herein by this reference. The Property is located in the area generally bounded by North Marianna Avenue on the east, Worth Street on the south, and a railroad right of way to the west. The property is also known by the street addresses of 4671 Worth Street and 1925 North Marianna Avenue, Los Angeles, California. The property is specifically identified as County of Los Angeles Assessor's Parcel Numbers 5223-002-007 and 5223-002-015.

1.02. The Property was the subject of a remedial action under Consent Order No. HFA 87-88-045. On January 6, 1997, the Department determined that remedial action required by the Consent Order was satisfactorily completed. Additional investigation and response action for soils was subsequently conducted pursuant to a Removal Action Workplan (RAW) prepared under Chapter 6.8 of Division 20 of the Health and Safety Code and implemented under the oversight of the Department. In accordance with the required public review process, the Removal Action Workplan and California Environmental Quality Act (CEQA) Notice of Exemption were approved by the Department on February 17, 2005.

In accordance with these approved documents, the Property was excavated to various depths across the site, then backfilled with clean soil. The RAW recommended that a deed restriction be required as part of the site remediation. This is because volatile organic compounds (VOCs) and hazardous materials, as defined in Health and Safety Code sections 25316 and 25260, remained in the subsurface soil and groundwater at the site above levels suitable for unrestricted use. Based on information provided in the Removal Action Report for Soils dated June 3, 2005, the Department concluded that the concentrations of these materials in the soil at the Property do not present an unacceptable threat to human safety or the environment, if the Property is limited to commercial and industrial use. In order to preclude exposure of residential and other sensitive receptors and to restrict the site to commercial/industrial use as contemplated in the Removal Action Report for Soils, the Department required in its June 16, 2005 approval letter that a land use covenant be prepared for the site.

This Covenant addresses soils on the Property only and does not address groundwater.

ARTICLE II
DEFINITIONS

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2.01. Department. "Department" means the California Department of Toxic Substances Control and includes its successor agencies, if any.

2.02. Owner. "Owner" means the Covenantor, its successors in interest, and their successors in interest, including heirs and assigns, who at any time hold title to all or any portion of the Property.

2.03. Occupant. "Occupant" means Owners and any person or entity entitled by ownership, leasehold, or other legal relationship to the right to occupy any portion of the Property.

ARTICLE III
GENERAL PROVISIONS

3.01. Restrictions to Run with the Land. This Covenant sets forth protective provisions, covenants, restrictions, and conditions (collectively referred to as Restrictions), subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. Each and every Restriction: (a) runs with the land pursuant to Health and Safety Code section 25355.5(a)(1)(C) and Civil Code section 1471; (b) inures to the benefit of and passes with each and every portion of the Property, (c) is for the benefit of, and is enforceable by the Department, and (d) is imposed upon the entire Property unless expressly stated as applicable only to a specific portion thereof.

3.02. Binding upon Owners/Occupants. Pursuant to Health and Safety Code section 25355.5(a)(1)(C), this Covenant binds all owners of the Property, their heirs, successors, and assignees, and the agents, employees, and lessees of the owners, heirs, successors, and assignees. Pursuant to Civil Code section 1471(b), all successive owners of the Property are expressly bound hereby for the benefit of the Department.

3.03. Written Notice of the Presence of Hazardous Substances. Prior to the sale, lease or sublease of the Property, or any portion thereof, the owner, lessor, or sublessor shall give the buyer, lessee, or sublessee notice that hazardous substances are located on or beneath the Property, as required by Health and Safety Code section 25359.7.

3.04. Incorporation into Deeds and Leases. The Restrictions set forth herein shall be incorporated by reference in each and all deeds and leases for any portion of the Property.

3.05. Conveyance of Property. The Owner shall provide notice to the Department not later than thirty (30) days after any conveyance of any ownership interest in the Property (excluding mortgages, liens, and other non-possessory encumbrances). The Department shall not, by reason of this Covenant, have authority to approve, disapprove, or otherwise affect proposed conveyance, except as otherwise provided by law, by administrative order, or by a specific provision of this Covenant.

3.06. Costs of Administering this Covenant to be paid by Owner. The Department has incurred and will in the future incur costs associated with the administration of this Covenant. The Department's estimation of these costs is attached as Exhibits B and B-1. The Covenantor hereby covenants for the Covenantor and for all subsequent Owners that the Owner shall pay the Department's costs in administering this Covenant.

ARTICLE IV RESTRICTIONS

4.01. Prohibited Uses. The Property shall not be used for any of the following purposes:

- (a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation.
- (b) A hospital for humans.
- (c) A public or private school for persons under 21 years of age.

(d) A day care center for children.

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4.02. Soil Management. No activities that will disturb soil more than 15 feet below ground surface (e.g., excavation, grading, removal, trenching, filling, earth movement or mining) shall be allowed on the Property without a Soil Management Plan and a Health and Safety Plan approved by the Department. Any contaminated soils brought to the surface by grading, excavation, trenching or other soil disturbance activity shall be managed in accordance with all applicable provisions of state and federal law. The Owner shall provide the Department written notice at least fourteen (14) days prior to any building, filling, grading, mining, excavating or other activity on the Property that would disturb soil more than 15 feet below ground surface.

4.03. Prohibited Activities. Extraction of groundwater for purposes other than site monitoring, site remediation or construction dewatering shall not be conducted at the Property.

4.04. Access for Department. The Department shall have reasonable right of entry and access to the Property for inspection, monitoring, and other activities consistent with the purposes of this Covenant as deemed necessary by the Department in order to protect the public health or safety, or the environment.

4.05. Annual Report: One year from the effective date of this covenant, and annually thereafter, Owner(s) or their agents(s) shall submit an Annual Status Report to the Department certifying whether the Owner is in compliance with the use restrictions specified in Sections 4.01, 4.02 and 4.03 of this covenant. An Annual Status Report Form is attached as Exhibit C. Owner(s) shall submit the Annual Status Report by the 15th day of the anniversary month to: Sayareh Amir, Department of Toxic Substances Control, Southern California Cleanup Operations Branch, Glendale Office, or her successor. The requirement to submit an Annual Status Report shall continue in effect during the term of this covenant and may not be terminated except in accordance with Section 6.02. The requirement to submit an Annual Status Report applies to the Owner at any time the Owner holds title to all or any portion of the Property.

ARTICLE V
ENFORCEMENT

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5.01. Enforcement. Failure of the Covenantor, Owner or Occupant to comply with any of the Restrictions specifically applicable to it shall be grounds for the Department to require that the Covenantor or Owner modify or remove any improvements ("Improvements" herein shall mean all buildings, roads, driveways, and paved parking areas) constructed or placed upon any portion of the Property in violation of the Restrictions. Violation of this Covenant shall be grounds for the Department to file civil or criminal actions as provided by law.

ARTICLE VI
VARIANCE, TERMINATION, AND TERM

6.01. Variance. Covenantor, or any other aggrieved person, may apply to the Department for a written variance from the provisions of this Covenant. Such application shall be made in accordance with Health and Safety Code section 25233.

6.02 Termination. Covenantor, or any other aggrieved person, may apply to the Department for a termination of the Restrictions or other terms of this Covenant as they apply to all or any portion of the Property. Such application shall be made in accordance with Health and Safety Code section 25234.

6.03. Term. Unless ended in accordance with the Termination paragraph above, by law, or by the Department in the exercise of its discretion, this Covenant shall continue in effect in perpetuity.

ARTICLE VII
MISCELLANEOUS

7.01. No Dedication Intended. Nothing set forth in this Covenant shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property, or any portion thereof to the general public or anyone else for any purpose whatsoever.

7.02. Department References. All references to the Department include successor agencies/departments or other successor entity.

7.03. Recordation. The Covenantor shall record this Covenant, with all referenced Exhibits, in the County of Los Angeles within ten (10) days of the Covenantor's receipt of a fully executed original.

7.04. Notices. Whenever any person gives or serves any Notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (1) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (2) three (3) business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner:	Dynamic Builders, Inc. 2114 S. Hill Street Los Angeles, CA 90007 Attn: L. Ramon Bonin cc: Ken Jackson
To Department:	Southern California Cleanup Operations - Branch Chief Department of Toxic Substances Control 1011 N. Grandview Avenue Glendale, California 91201

Any party may change its address or the individual to whose attention a Notice is to be sent by giving written Notice in compliance with this paragraph.

7.05. Partial Invalidity. If any portion of the Restrictions or other term set forth herein is determined by a court of competent jurisdiction to be invalid for any reason, the surviving portions of this Covenant shall remain in full force and effect as if such portion

found invalid had not been included herein.

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7.06. Statutory References. All statutory references include successor provisions.

IN WITNESS WHEREOF, the Parties execute this Covenant.

Covenantor: Dynamic Builders, Inc

By: [Signature]

Title:

Date: May 16, 2006

Department of Toxic Substances Control

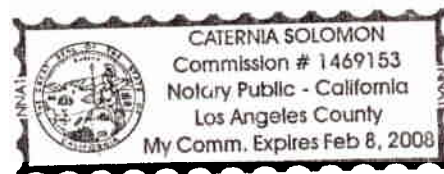
By: [Signature]

Title: Sayareh Amir

Chief, Southern California Cleanup Operations Branch – Glendale
Office

Date: 5/22/06

SUBSCRIBED AND SWORN TO BEFORE ME BY:
Sayareh Amir
THIS 22 DAY OF May 2006
[Signature]
NOTARY PUBLIC



STATE OF CALIFORNIA)

06 1176857

COUNTY OF Los Angeles)

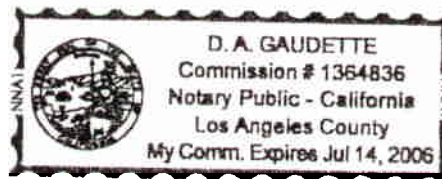
On this 16th day of May, in the year 2006,

before me D.A. Gaudette, Notary Public, personally appeared

L. RAMON BONIN

personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person~~(s)~~ whose name~~(s)~~ is ~~/are~~ subscribed to the within instrument and acknowledged to me that he~~/she/they~~ executed the same in his~~/her/their~~ authorized capacity~~(ies)~~, and that by his~~/her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.



Signature *D.A. Gaudette*

LIST OF EXHIBITS

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Exhibit A – Legal Description of Property

A-1 Assessor's Parcel Numbers

Exhibit B– DTSC's Oversight Cost Estimate for Administering Institutional Controls with
Annual Status Report

B-1—DTSC Oversight Cost Estimate

Exhibit C – Annual Status Report Form

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EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

That portion of Lot "E" of Grider and Hamilton's Floral Park, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 10 Page(s) 13 of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point on the Southerly line of said Lot "E" distant thereon South 89° 53' 33" East 415.60 feet from the Southwesterly corner of said Lot "E"; thence along said Southerly line, South 89° 53' 33" East 481.38 feet to a point distant North 89° 53' 33" West 372.93 feet, measured along said Southerly line, from the Southwesterly corner of Lot 144 of Tract No. 9552 as shown on map recorded in Book 142 Pages 18, 19 and 20 of maps, in said Office of the County Recorder; thence North 0° 33' 57" East 667.10 feet to the beginning of a tangent curve Easterly and having a radius of 540 feet; Thence Northerly along said curve through a central angle of 7° 10' 45", an arc distance of 68.92 feet to the Northeasterly boundary of that certain parcel of land described in Book 4513 Page 246 of deeds, records of said county; thence along said Northeasterly boundary, North 55° 43' 00" West 146.08 feet to the Northwesternly line of said Lot "E"; thence along said Northwesternly line South 34° 17' 00" West 390.03 feet and Southwesterly along a tangent curve concave Northwesternly having a radius of 1482.69 feet, through a central angle of 9° 21' 20" an arc distance of 242.10 feet to a line bearing North 0° 06' 27" East from the point of beginning; thence South 0° 06' 27" West 306.81 feet to the point of beginning.

Parcel 2:

An easement for the purposes stated in Exhibit "B" of that certain quitclaim deed recorded on May 1, 1981 as Document No. 81-435641 on, upon, over under and across that portion of Lot "E" of Grider and Hamilton's Floral Park, in the City of Los Angeles, in the County of Los Angeles, State of California, as per map recorded in Book 10 Page 13 of maps, in the office of the County Recorder of said County, described as follows: Beginning at the Southwesterly corner of said Lot "E"; thence along the Southerly line of said lot "E"; 89° 53' 33" East 410 feet to the true point of beginning of this description; thence continuing along said Southerly line South 89° 53' 33" East 5.60 feet; thence North 0° 06' 27" East 306.81 feet to the Northwesternly line of said Lot "E"; thence Southwesterly along said Northwesternly line, being a curve concave Northwesternly and having a radius of 1482.69 feet through a central angle of 0° 18' 48" An arc distance of 8.11 feet to a line bearing North 0° 06' 27" East from the true point of beginning; thence South 0° 06' 27" West to the true point of beginning.

File No: 00153225

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Assessor's Parcel Number: **5223-002-007 5223-002-015**

Exhibit B

**DTSC's OVERSIGHT COST ESTIMATE FOR ADMINISTERING
INSTITUTIONAL CONTROLS WITH ANNUAL STATUS REPORT
Former Castrol Site, Los Angeles, California**

As a part of its regulatory oversight role, the Department of Toxic Substances Control (DTSC) will conduct yearly activities to verify that ICs are functioning properly and successfully. If the owner inspects and submits an Annual Status Report Form verifying compliance with the land use restrictions, these activities are expected to include:

- Random inspections every three to five years.
- Pertinent phone calls or meetings with entities associated with the site; including the landowners, tenants, other regulatory agencies.
- Review and response to correspondence from the landowner pertaining to the IC's.
- Handling of internal or external inquiries about the existing IC's.

DTSC's estimated annual costs for performing the above activities are:

	Branch Chief	Supervisor	Project Manager	Technical Support	Clerical	Grand Total Cost
Total No. Hours	1/yr	1/yr	2/yr	-	1/yr	-
Hourly Cost (\$)	155	135	117	-	58	-
Total Cost (\$)	155.00	135.00	234.00	-	58.00	582.00

The above costs assume that no IC failures or breaches are noted during the site visit or otherwise reported to DTSC. If such problems arise as a result of negligence, non-compliance, or natural disasters such as earthquakes and floods, DTSC may incur the following costs in a single year:

	Branch Chief	Supervisor	Project Manager	Technical Support	Clerical	Attorney	Grand Total Cost
Total No. Hours	1/yr	1/yr	4/yr	3/yr	2/yr	2/yr	-
Hourly Cost (\$)	155	135	117	142	58	162	-
Total Cost (\$)	155.00	135.00	468.00	426.00	116.00	324.00	1,624.00

The costs assume that DTSC will conduct the following actions:

- All of the activities described previously.
- Work related to discoveries of IC violations, breaches, or disruptions, including preparing associated documentation, discussions with the landowner or regulatory agency personnel and supervisor; preparation of associated internal and external correspondence, documenting that problems have been corrected.
- Work related to potential IC disruptions that are outside of the control of the landowner, including acts of nature (flood, earthquake), vandalism, or violence. The time would include the site visit (see the second bullet on page 1), preparing associated documentation, discussions with the landowner, regulatory agency personnel and supervisor; preparations of associated internal and external correspondence, documenting those problems have been corrected.

The above estimates are based on **the Contract Estimate Rates effective July 7, 2005** and include labor rates and overhead. The estimates do not include:

- Renegotiation or termination of IC, associated agreements, or the RAP.
- Revisions of the IC due to changes of land use.
- Discussions with local land use agencies, prospective purchasers, or developers about changing the land use at any of the sites.

Exhibit B-1: DTSC OVERSIGHT COST ESTIMATE

LAND USE COVENANT AGREEMENT: Castrol site

Project Name: FORMER CASTROL SITE

CalStars Site Code: 300018-11

Title	Branch Chief	Project Manager		Supervisor		Toxicology	Geology	Industrial Hygiene	HQ Engring	Public Particip	HQ CEQA	Legal	Clerical
Classification	Sr. HSS	HSS	HSE	HSSI	HSEI	Staff Toxicologist	Eng Geol.	Assoc IH	HSE	PPS	AEP	Staff Counsel	WPT
TASK:													
Agreement Prep./Negotiation													
Review and comment on PEA Workplan and PEA Report, General Project Oversight													
Scoping Documents: HSP/SAP/QAP													
Remedial Investigation/ Feasibility Study (RI/FS)													
- Workplan													
- Implementation													
- Report													
Risk Assessment													
Public Participation													
CEQA													
Removal Action Workplan													
Remedial Action Plan (RAP)													
Remedial Design (RD)													
Implement RAW													
Completion Report													
Certification													
Deed Restriction													
Operation & Maint													
Total No. Hours/year	1	2		1									1
Hourly Rate	155	117		135			142						58
Total Cost	155	234		135									58
Total Cost/year	\$582												
Cost for 30 year	17,460												
Grand Total Cost for 30 year	\$17,460												

Exhibit C

Annual Status Report Form For Covenant to Restrict Use of Property
Former Castrol Facility Site (1925 North Marianna Avenue, Los Angeles, CA)

Name of Person Completing Inspection: _____

Address of Inspector: _____

Phone number of Inspector _____

Date of Inspection: _____

How was inspection performed? _____

- | | YES | NO |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 1. Is there a residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation on the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is there a hospital for humans on the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is there a public or private school for persons under 21 years of age on the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is there a day care center for children on the property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is there evidence of disturbance of soil at or below 10 feet below grade surface? [If disturbance of soil was noted on the property explain in detail on attached pages the purpose of the disturbance, when it was performed, and who at the Department approved the Soil Management plan.] | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Was extraction of groundwater for purposes other than | <input type="checkbox"/> | <input type="checkbox"/> |

Exhibit C

Annual Status Report Form For Covenant to Restrict Use of Property
Former Castrol Facility Site (1925 North Marianna Avenue, Los Angeles, CA)

site monitoring, site remediation or construction dewatering conducted at the Property?

7. Did you fail to use due diligence and make an inquiry as to each and every restriction noted in the Covenant or listed on this annual inspection checklist?
8. Has there been any change in the restrictions under a variance, modification or termination as approved by the Department under the Health and Safety Code? [If yes, describe in detail the change and the date of such approval for that change.]
9. Have there been any violations of the Covenant? [If yes, describe in detail on an attached page the steps taken to return to compliance.]
10. Is the following a true and accurate statement?

Statement: The undersigned is the Owner of Property subject to this Covenant, and hereby admits that such Property has been used for one or more of the purposes listed in Sections 4.01, 4.02 and 4.03 of this Covenant during the past year.

Please explain each YES response in detail on attached pages.

I certify that the foregoing information is true and correct to the best of my knowledge. I understand that a person making a false statement or representation in this report may be subject to fine or imprisonment or both.

Signed: _____

DATE: _____

Annual Status Report Form For Covenant to Restrict Use of Property
Former Castrol Facility Site (1925 North Marianna Avenue, Los Angeles, CA)

Inspector Representative of owner of the Former Castrol Facility property,
1925 North Marianna Avenue, Los Angeles, California.